

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 24941-24942

**APPLICATION OF READ & STEVENS, INC.
FOR APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25145

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 25146-25148

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 24994-24995 & 25116

**APPLICATIONS OF V-F PETROLEUM INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NOS. 25115 & 25117

RESPONSE TO CAROLYN BEALL MOTION TO LIMIT

Read & Stevens, Inc. and Permian Resources Operating, LLC (collectively “Permian”), hereby submits this response to Carolyn Beall’s (“Beall”) motion to limit.

First, Ms. Beall (and V-F Petroleum Inc. (“V-F”)) wants to have her cake and eat it, too. On January 27, 2025, Ms. Beall filed an entry of appearance and notice of objection to Case Nos. 25145-25148. At the January 28, 2025 contested hearing, Ms. Beall was ordered by the hearing

examiner to file a notice of ownership interest in all of the cases that Ms. Beall entered an appearance and notice of objection. *See* Tr. 1/28/25, page 252, lines 2-7. Ms. Beall subsequently filed a notice of ownership interest,¹ in which Ms. Beall claimed approximately one percent working interest in the “NE/4 NW/4, the S/2 NE/4, the NE/4 NE/4, the NW/4 NE/4, the SE/4 NW/4 of Section 14, Township 18 South, Range 31 East, N.M.P.M, in the upper part of the Third Bone Spring, to depths of 9,290’ in some portions and 9,293’ in other portions.” *See* Beall Notice of Ownership (emphasis added); *see also*, Beall Notice of Intervention, ¶ 3. Included with Ms. Beall’s filing were several title instruments, which were relied on by Ms. Beall to substantiate an interest in Permian’s cases and thereby laying a foundation for the Hearing Examiner to grant Ms. Beall’s notice of intervention as an affected party in Case Nos. 25145 and 25146. *Id.*; *see also*, Tr. 2/27/25, page 65, lines 4-7.

Under the Division rules the examiner “may admit relevant evidence, unless it is immaterial, repetitious or otherwise unreliable.” 19.15.4.17.A NMAC. So, it seems based on the above, where things worked in Ms. Beall’s favor, it is okay to present relevant evidence related to title for the Division to weigh, as necessary; however, Ms. Beall takes a completely opposing position—“the Division may not consider any testimony whatsoever”²—when it comes to Permian providing similar relevant evidence in response to a request from the Division technical examiner. *See* Beall Motion to Limit. Ms. Beall’s position is completely hypocritical.

Permian has and continues to maintain that the Division does not have jurisdiction to adjudicate title. *See* Division Order R-11700-B. That being said, the Division does have

¹ Although Permian filed a response to Ms. Beall’s Notice of Ownership Interest, Permian did not object to the numerous title documents Ms. Beall included with the filing (or any that Ms. Beall or V-F have filed since). Further, in its Response, Permian did not dispute that Ms. Beall was an offsetting interest owner in Case No. 25145 (Ms. Beall’s interest was previously pooled under Division Order R-23609) and noted that it was not aware of any instrument of record showing that Ms. Beall owned an interest or was a vertical offset in Case No. 25146.

² During the February hearing, Ms. Beall’s witness, Mr. Shaw, provided extensive testimony on his title examination through questioning by counsel and the Division technical examiner. *See* Tr. 2/27/25, page 190, lines 22-25 (Ms. Luck: “And I don’t think it’s disputed in case 25145, so we’re not going to review those details. But in case 25146, can you explain to us your title examination and what you determined?”)

discretionary power to review relevant evidence and place whatever weight it so chooses—just as it did for Ms. Beall—to make informed decisions about cases.

Second, Ms. Beall has done some major flip-flopping that requires clarification. As discussed above, Ms. Beall's intervention was granted based on an understanding that Ms. Beall owned an interest above a depth severance in both Case Nos. 25145 and 25146; however, Ms. Beall's position changed at the February hearing as to Case No. 25146—at least, according to Ms. Beall's witness, Mr. Jordan Shaw.

During the February hearing, Ms. Beall brought in new evidence—*additional* title. *See* Beall Hearing Packet, Exhibit A (Deed of Distribution and Assignment filed in Eddy County NM, Book 143, Page 1091). At the Hearing Examiner's discretion, the title instrument was admitted. While being questioned by the Hearing Examiner to understand the basis for Ms. Beall relying on the instrument, counsel for Ms. Beall confirmed that the instrument was being provided to show Ms. Beall had an interest in an "area above the pool." *See* Tr. 2/27/25, page 197, lines 16-21. Then, while being questioned by the Division technical examiner, Ms. Beall's witness, Mr. Shaw, claimed that the instrument demonstrated that Ms. Beall owned an interest in "all depths." *See* Tr. 2/27/25, page 214, lines 7-17. These conflicting positions were further evidenced by Ms. Beall's allocation formula. *See* Beall Hearing Packet, Exhibit C (Case No. 25146 "All depths"). At this point, it is unclear what Ms. Beall's position is regarding the interest she claims in Case No. 25146. Whatever it is, the Hearing Examiner initially allowed Ms. Beall to intervene as a vertical offset. If that has changed, and if necessary, Permian is prepared to pool Ms. Beall's interest.

In sum, Permian was asked by the Division technical examiner to provide clarification as to the depth severances involved in its cases, which it did. *See* Tr. 2/27/25, page 227, lines 10-14 ("a description of the depth severances including Ms. Beall's"); *see also*, Permian Revised Hearing

Packet, Supplemental Exhibit C-12. The supplemental exhibit shows there is a depth severance in the NE/4 NW/4 and SW/4 SE/4 of Section 14. The exhibit further shows that there are no other depth severances as claimed by Ms. Beall (and V-F), which, consequentially means that Ms. Beall does not own an interest in Case No. 25146, as originally claimed. *See* Permian Hearing Packet, Exhibit C ¶ 7 and 8; *see also*, Permian Closing Brief and Motion to Strike.

As discussed in Permian's Response to V-F's Motion to Limit, Permian did not turn this into a title dispute—Ms. Beall did (and V-F is using Ms. Beall as a proxy to drag out the proceedings by filing additional, unnecessary motions and briefs). This is an orchestrated effort by Ms. Beall and V-F to further delay and drag out the proceedings, and it should not be tolerated by the Division.

For the above stated reasons, Permian respectfully requests that the Division deny Ms. Beall's motion, and further requests that its motion to strike be granted and Ms. Beall's notice of intervention and opposition to presentation by affidavit in Case No. 25146 be excluded from consideration by the Division.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in blue ink, appearing to read "P. H. V.", is positioned above a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on April 9, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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A handwritten signature in blue ink, appearing to read "Paula M. Vance", is written over a horizontal line.

Paula M. Vance